



KENTUCKY NEWS



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Kentucky FSA State Office

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2015 KY Noninsured Crop Disaster Assistance Program (NAP) Application Closing Dates

9/1/2014 <i>(Prior Year)</i>	Christmas Trees, Crustaceans, Finfish, Flowers, Ginseng, Grass-Sod
9/30/2014 <i>(Prior Year)</i>	Barley-GR, Canola-FAL & SPR, Oats SPR & WTR, Rye, Triticale, Wheat
11/20/2014 <i>(Prior Year)</i>	*Apples, Blueberries, Caneberries, Cherries, Chestnuts, Grapes, Honey, Jujubes, Nectarines, Pawpaws, Peaches, Pears, Pecans, Persimmons, Plums, Quinces, Rhubarb, Strawberries <i>(*Note: New crops added.)</i>

USDA Notifies Producers on Acreage History and Yields

Written notifications from USDA are underway to farmers that provide updates on their current base acres, yields and 2009-2012 planting history.

Please cross check the letter from USDA with your farm records. If the information is correct, no further action is needed at this time, but if our letter is incomplete or incorrect, contact your local FSA office as soon as possible.

Verifying the accuracy of data on a farm's acreage history is a required early step for enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Later this summer, farmers and ranchers will have an opportunity to update their crop yield information and reallocate base acres.

By mid-winter all producers on a farm will be required to make a one-time, unanimous and irrevocable election between price protection and county revenue protection or individual revenue protection for 2014-2018 crop years. Producers can expect to sign contracts for ARC or PLC for the 2014 and 2015 crop years in the spring of 2015.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. Upland cotton is no longer a covered commodity.

Visit www.fsa.usda.gov or the local FSA office for information about FSA and the 2014 Farm Bill programs.

Margin Protection Program for Dairy Producers

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during sign-up. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

Disaster Assistance for 2012 Frost or Freeze Fruit Crop Losses Announced

Producers who experienced losses to bush or tree fruit crops due to frost or freeze during the 2012 crop year may be eligible for assistance through the Non-insured Crop Disaster Assistance Program (NAP). The program, authorized by the 2014 Farm Bill, provides supplemental NAP payments to eligible producers.

Farmers who did not have access to crop insurance and are in primary and adjacent counties that received a Secretarial disaster designation because of frost or freeze in 2012 are eligible for NAPFF (NAP Frost/Freeze) assistance. Losses due to weather damage or other adverse natural occurrences may also qualify for program assistance. Eligible Kentucky counties are: Boone, Breckinridge, Carroll, Daviess, Gallatin, Hancock, Hardin, Henderson, Jeffer-

son, Meade, Oldham, Trimble, and Union.

NAP enrollment began July 22, 2014. Applications must be submitted to FSA county offices by Sept. 22, 2014.

To expedite applications, producers who experienced losses are encouraged to collect records documenting these losses in preparation for sign-up. Producers also are encouraged to contact their FSA county office to schedule an appointment. Limited resource, socially disadvantaged, and beginning producers are eligible for premium reductions and also may be eligible for fee reductions.

Interested producers can view the 2012 NAP Coverage for Frost, Freeze or Weather Related Fruit Losses Fact Sheet at <http://go.usa.gov/5kSQ>, or visit a local FSA office. To find out if land is located in an eligible frost/freeze county, visit <http://go.usa.gov/53rz>.

USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

Changes mandated through the 2014 Farm Bill require producers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 form must be on file with the FSA. Since many FSA and Natural Resource Conservation (NRCS) programs have this requirement, most producers should already have an AD-1026 on file. If producers have not filed, they must do so by June 1, 2015.

When a farmer completes the AD-1026, FSA and NRCS staff will outline any additional actions that may be required for compliance with the provisions. The Risk Management Agency, through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS. This in-

cludes the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and online at: www.fsa.usda.gov. USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/.

USDA Announces the Extension of the Milk Income Loss Contract Program for 2014

The USDA Farm Service Agency (FSA) recently announced the extension of the Milk Income Loss Contract (MILC) program which protects dairy farmers against income loss through Sept. 1, 2014, or until a new Margin Protection Program for dairy producers (MPP) is operational.

Contracts for eligible producers enrolled in MILC on or before Sept. 30, 2013, are automatically extended until the termination date of the MILC program. Dairy operations with approved MILC contracts will continue to receive monthly payments if a payment rate is in effect.

MILC compensates enrolled dairy producers when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt), after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost, just as in the 2008 Farm Bill. The payment rate for October 2013 through January 2014 marketings is zero. Payment rates during the months after January 2014 until the termination of the MILC program will be determined as the appropriate data becomes available.

FSA will provide producers with information on program requirements, updates and sign-ups as the information becomes available.

Dairy Indemnity Payment Program

The 2014 Farm Bill authorized the extension of the Dairy Indemnity Payment Program (DIPP) through September 30, 2018. DIPP provides payments to

dairy producers and manufacturers of dairy products when they are directed to remove their raw milk or products from the market because of contamination.

New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).